



## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Recommendation from the Affordable Housing Proposal Review Committee

**MEETING DATE:** September 18, 2007

**PREPARED BY:** Community Improvement Manager

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**RECOMMENDED ACTION:** Review the recommendation from the Affordable Housing Proposal Review Committee regarding the site on Railroad Avenue.

**BACKGROUND INFORMATION:** In October of 2006, the Community Development Department distributed a Request For Proposals (RFP) to affordable housing developers throughout Northern California. A total of 13 developers and one local property owner were invited to submit proposals for the development of an affordable housing project at a 4.587 acre site located along Lockeford Street, between Washington Street and Cherokee Lane. The site is a collection of parcels owned by Union Pacific Railroad that once carried the Kentucky House railroad spur.

The RFP for what was originally titled the Kentucky House Affordable Housing Project, identified key objectives for the project include community compatibility; ownership affordability targeted primarily to the 80% of median income level or below; high quality design and materials; and sustainable design. The RFP also asked for proposals that demonstrate strong experience with affordable housing development and showed a collaborative approach to working with the community.

While the RFP did identify a preference for owner-occupied housing for this project, it did invite developers to identify other preferred types of housing with some rationale for their proposal, and it stated that it may be possible to target rental housing for seniors only.

The following three affordable housing developers responded to the RFP:

- Visionary Builders – Stockton
- Eden Housing – Hayward
- PAM Companies – Lodi

Of these three developers, a total of 5 different scenarios were submitted, as both Visionary Builders and Eden Housing provided 2 scenarios each. These proposals covered a range and mix of housing tenure, including owner-occupied, multi-family rental and senior-rental units.

The project cost and financing among these proposals also varied. In the RFP, the City's contribution to this project was identified at \$1.2 million, coming from a current allocation of CDBG funds and a balance of both CDBG and HOME fund program income from our existing housing-assistance programs. Both Eden Housing and Visionary Builders identified funding gaps, which would need an additional subsidy from the City beyond the \$1.2 million already committed, to meet their total project costs. The proposal from the third developer, PAM Companies, requested no additional funding beyond the City's stated contribution.

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APPROVED: \_\_\_\_\_  
Blair King, City Manager

Each developer presented their proposals in public meetings before the Affordable Housing Proposal Review Committee. At the completion of those proposal meetings, site visits were made to projects that the three developers had developed or were in the process of developing, in order to better judge their product and capabilities.

Once the site visits were complete, the Affordable Housing Proposal Review Committee met to discuss their observations to that point and it was decided that each developer would have an opportunity to refine and resubmit their proposal to meet the following criteria:

- Senior Rental housing units;
- Single-story construction;
- No funding gap;
- Address concerns of providing and maintaining a safe environment for seniors;
- Demonstrate ability (from previous projects) to effect positive changes in troubled neighborhoods.

Once those revisions were submitted, only one developer, PAM Companies, was able to meet the criteria regarding no funding gap in their project financing. At the completion of their review of the revised proposals, the Affordable Housing Proposal Review Committee approved a motion to forward their recommendation to the City Council that the City of Lodi select PAM Companies, to partner in the development of an affordable senior housing development on the railroad property site.

A summary of PAM Companies' proposal is as follows:

#### Project Description

- 71 Units
  - 56 one-bedroom units
  - 15 two-bedroom units
- Gated property.
- 24-hour on-site management.
- Motion detector lighting.
- Security cameras.
- Collaborative effort:
  - F&M Bank,
  - LOEL Senior Center,
  - Housing Authority
  - ByDesign Solutions

#### Financing

• Project Cost	\$11,535,422
• Sources	
○ Lender	\$1,386,089
○ City of Lodi	\$1.2 million
○ Affordable Housing Project	\$500,000
○ Community Housing Development Organization	\$250,000
○ Deferred Developer Fee	\$90,209
○ <u>General/Limited Partners</u>	<u>\$8,109,124</u>
TOTAL	\$11,535,422

Council Member Mounce has requested the Council visit the site together prior to any Council action on the proposed development.

**FISCAL IMPACT:** N/A

**FUNDING AVAILABLE:** N/A

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Joseph Wood  
Community Improvement Manager

Concurred: 

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Randy Hatch  
Community Development Director

Attachments



**REQUEST FOR PROPOSALS  
FOR KENTUCKY HOUSE AFFORDABLE HOUSING  
DEVELOPMENT PROJECT**

**October 2006**

**Introduction:** This is a request for proposals to develop innovative affordable housing on a site of the abandoned Kentucky House Railroad line that is to be purchased by the City of Lodi from the Union Pacific Railroad. The City's key objectives for the project include community compatibility; ownership affordability targeted primarily to the 80% of median income level or below; high quality design and materials; and sustainable design. The City is seeking proposals that demonstrate strong experience with affordable housing development and show a collaborative approach to working with the community.

**City of Lodi:** Extensive information on the City can be found on the City's web site, located at [www.lodi.gov](http://www.lodi.gov). A number of documents relating to Planning and Land Use such as the Housing Element of the General Plan, as well as a Community Overview & Economic Profile may be found on the Community Development Department page of the web site.

**Project Site:** The subject property consists of the following 3 parcels with a gross area of 4.857 acres or 211,577 square feet.

<b>APN</b>	<b>Assessor's Gross Area (SF)</b>	<b>Assessor's Gross Area (Acres)</b>
043-202-29	164,657	3.78
043-087-17	34,891	0.801
043-090-13	<u>12,029</u>	<u>0.276</u>
<b>Total:</b>	211,577	4.857

All of the subject parcels have public services available (sewage and water). Telephone is provided by Pacific Bell, natural gas is provided by PG&E, and the City of Lodi Electric Utility provides electricity.

**General Plan and Zoning:** The General Plan and the Zoning designations for the subject property is currently M-1 Light Industrial.

**APN 043-202-29:** is irregularly shaped with approximately 1,040 feet of frontage along Lockeford Street, 1,345 feet along Railroad Avenue and 60 feet of frontage along Cherokee Lane. The site is improved with curb and gutter along Cherokee Lane. Public services (sewage and water) are available to the site from Lockeford Street. The site is not at grade with the adjacent Railroad Avenue. There are industrial buildings that front onto Lockeford Street that are currently used on a seasonal basis. The industrial buildings may remain and the subdivision of the lot could create a separate parcel(s) for these industrial buildings, and residential parcels along the Railroad Avenue frontage, or the industrial buildings may be removed as part of the proposal and the entire site used for residential.

**APN 043-090-13:** is rectangular shaped and at grade with the adjacent land areas. This property does not have any Lockeford Street frontage. There is access to the site from Rush Street. Public services (sewage and water) are available to the site from Lockeford Street. The extension of the right-of-way north of Central Avenue would be acceptable but not a condition of any new development, however, pedestrian access along the extension of Central Avenue to Lockeford Street is a requirement. There are no improvements on this site. Adjacent to the site are an industrial building to the north and an abandoned multi-family dwelling to the south.

**APN 043-087-17:** is generally rectangular shaped and at grade with the adjacent Rush, Lockeford and Washington Streets. Public services (sewage and water) are available to the site from Lockeford Street. The site has approximately 100 feet of frontage on Rush Street, approximately 100 feet of frontage on Washington Street and

approximately 30 feet of frontage on Lockeford Street. There are no improvements on the site. Adjacent to the site are an industrial building to the north, and two parcels with multi-family dwellings to the south that require an easement across this parcel to access one or more of the units.

## **Project Intent**

The site(s) will be purchased by the City of Lodi with funds that can only be used for affordable housing purposes. The City wished to use its financial resources in a cost effective manner, and to leverage its funds as necessary with funding provided from other sources. The objective of the project is to address the need for affordable housing identified by the recently-adopted Housing Element. Generally, within the context of the development program ultimately adopted by the City, as well as the site, zoning, infrastructure, environmental, design, and financing program constraints, maximizing the number of units that will help achieve Housing Element objectives is desired.

## **Site and Development Standards Information**

### **Infrastructure Issues**

Development of the property will require extending water, sewer, storm drainage and other utility services to the properties. Depending upon the circulation plan for the development, public street improvements of varying extent will be required. Improvements to existing streets fronting the property will include up to 34 feet or to the centerline (whichever is less) consisting of curb, gutter, sidewalk, pavement and related public improvements, as required by the Public Works Department.

The City is considering maintaining an open right-of-way across one of these parcels, in line with N. Central Avenue where it intersects with Railroad Avenue. It is a requirement to maintain at least a pedestrian right-of-way that connects with Lockeford Street, to provide access to a school and park to the north.

## **Subdivision and Other Permits Necessary**

The site currently consists of 3 parcels. A subdivision will be necessary to create additional ownerships. Subdivisions require a public hearing before the Planning Commission. If a Planned Community Rezone is proposed, a PC rezone, Development Plan or a Use Permit can be considered in tandem with the subdivision application. Multi-family projects will also require Site Plan and Architectural Review, which is typically performed after subdivision approval, before a separate, quasi-administrative body.

## **Development Program**

Below are listed key elements of a development program for the site. Proposals should be responsive to each of the elements listed. It is anticipated that detailed requirements in each area will be addressed in an agreement developed through discussions with the selected developer.

- **Density and other development standards.** In regards to density and other aspects such as height, setbacks, lot coverage, etc., refer to the parameters of the proposed Planned Community Zoning Ordinance.
- **Community compatibility.** The development should be compatible with the scale and character of the city of Lodi and the community context. Proposals should reflect careful evaluation of the neighborhood context and include a conceptual design concept that can integrate well with neighborhood uses. In addition to a conceptual site plan and conceptual building design, proposals shall provide a narrative regarding the design approach.
- **Tenure types.** The Kentucky House site shall be targeted to provide owner-occupied housing. The City is open as to the type of ownership housing, including, but not limited to, self-help housing, co-housing, condominiums, use of a land trust, limited-equity cooperatives, or other mechanisms. Proposal shall identify

the preferred type of housing and provide a rationale for the proposal. It may be possible to target rental housing for seniors only.

- **Income levels.** The project shall primarily target incomes up to the 80% level, with up to 25% of units potentially provided at up to the 100% of median income level. Proposals shall identify how these affordability levels are to be achieved.
- **Age or other restrictions.** An ownership project is assumed to be primarily family-type housing. However, the City has a desire for some range in unit types and marketing to accommodate seniors, disabled persons, or small households. Proposals shall describe how this range will be achieved by the proposal.
- **Sustainability.** The City is placing a significant emphasis on sustainability and is seeking proposals that exemplify cost-effective techniques to achieve this objective. This should include site planning that responds to solar considerations, storm water retention and flow and other environmental factors, use of “green” building materials, use of energy-efficient appliances, low water use landscaping, and building design and operational factors that minimize energy use and resource consumptions as well as avoiding indoor health impacts. Proposals shall include a narrative on how the proposal addresses these issues.
- **Site features.** The site plan is required to include a pedestrian route through the property to the north of Central Avenue to connect to Lockeford Street, as this is a major pedestrian thoroughfare for children going to and from Lawrence School to the north and for families accessing nearby Lawrence Park. The design of the pedestrian route should consider safety as well as aesthetics. In addition to a conceptual site plan and preliminary building design, proposals should include a narrative describing the rationale for how this issue will be addressed.
- **Design features.** The City places a significant emphasis on high quality design and materials. The City is open to use of non-traditional or recycled building materials that comply with the Building Code. In addition, a major emphasis is placed on features that promote community within the development, and in relation to the neighborhood context. Provision of community space or other features should be considered. Further, the development should foster connections with the neighborhood rather than being separated or isolated. The City is not favorable to a gated community at this location. The City also wishes to promote design that creates accessible and adaptable units. In addition to a conceptual site plan and preliminary building design, proposals should include a narrative describing the rationale for how these issues will be addressed.
- **Affordability.** Mechanisms will be required to be in place that would ensure affordability. Prospective developers shall propose specific programs to achieve this objective, provide a rationale for same, and indicate experience with the proposed method.
- **Management.** Demonstrated experience with affordable housing development is a critical element. It will be essential for developers to show financial and organizational capability, have proven experience with community processes, with obtaining financing, with construction management, and with ongoing management. A narrative shall be provided that addresses these issues.
- **Community process.** In addition to any required permit processing procedures and hearings, the City expects the selected developer to perform outreach to the site neighborhood to develop understanding of neighbor issues, to promote an open communication process, and to develop a final project proposal that responds to concerns. A narrative should be provided that describes the planned approach to this issue, as well as experience that the developer has had with this type of process.
- **City financial participation.** The City will subsidize the development up to \$1,200,000 with specific amounts depending on the needs of the project, and to be identified at a later stage in the process. The City is open to considering provision of predevelopment funding. Within these parameters, proposals shall indicate the approximate necessary City subsidy, identify planned sources of any additional necessary financing or subsidy, and indicate whether a need for predevelopment funding is anticipated, and if so, its approximate amount.

### **Required Proposal Elements**

Please organize the proposal in the following manner:

1. Cover Letter
2. Narrative of organization's approach responding to each element of the City's program.
3. Conceptual Project Schedule.
4. Specific Site Information.
5. Experience of Firm.
6. Experience of Development Team.
7. Project Financing and Total Development Cost.

### **COVER LETTER (one page maximum)**

- Explain why your firm should be chosen for this project.
- Provide a short summary of what your firm would like to accomplish on the site, including the number of units, tenure, type of construction and any exceptional conditions which should be considered by the City.
- Explain the funding requested from the City of Lodi and reasons for this request.

### **NARRATIVE OF ORGANIZATION'S APPROACH RESPONDING TO EACH ELEMENT OF THE CITY'S PROGRAM**

- Summarize how the firm will approach this project if selected.
- Respond to each identified major program element in this RFP.

### **CONCEPTUAL PROJECT SCHEDULE**

- Provide a chart showing conceptual development timeline including:
  - Financial commitments.
  - Design, entitlement, and other pre-construction issues.
  - Construction.
  - Sale/occupancy.

### **SPECIFIC SITE INFORMATION**

- Provide a conceptual site plan, showing placement of access, buildings, and parking.
- Provide a conceptual building design showing approximate building height, number of floors.
- Provide a narrative summary of significant site planning and design features proposed.

### **EXPERIENCE OF FIRM**

- Describe the firm's experience in financing affordable housing developments.
- Descriptions of up to five recent affordable housing developments developed by the firm.
- Describe the firm's experience in the development and marketing of ownership housing projects.
- Provide references from area public and/or private housing and development agencies (agency, name and title, telephone number).



### **EXPERIENCE OF DEVELOPMENT TEAM**

- Describe the development entity and identify the members with names, addresses, and phone numbers of key representative of each entity. Provide relevant qualifications and project specific experience or the principals of the developer team. Identify person or persons with the authority to represent and make legally binding commitments on behalf of the team.
- Describe the development team's experience in successfully developing affordable housing on infill sites in cities like Lodi.
- Describe the development team's track record in the design and construction of housing projects within budget and on schedule.
- Describe experience with "green building" development.
- Identify at least two contacts that have provided the developer with financing of the magnitude required for the proposed development. Provide name and title, company, address and telephone numbers.

### **PROJECT FINANCING AND TOTAL DEVELOPMENT COST**

- Describe how your firm will determine funding sources to apply for and coordinate the timing of entitlements and construction with funding.
- Provide information on all types of financing proposed and the amount of each that the developer plans to utilize to construct this project.
- Provide financial information regarding sales prices, homeownership costs (PITI), and affordability to targeted income households.
- Provide breakdown of soft costs and total costs.
- Include rationale for any requested amount from City for gap financing.
- Include cost per unit to construct.
- Identify any loans on which the firm has defaulted during the last five year.
- What financial contingency does your firm have should any of the funding sources fail to provide anticipated financing?

### **SELECTION PROCESS**

The selection process will involve several phases.

- Phase One:** A review team will evaluate developer submittals. In addition to staff, this team will likely include members of the City Council and may include other members. The initial review will determine conformance to submission requirements and whether proposals meet minimum criteria established. Review will include the financing plan and completeness of submissions. Experience in development of comparable projects will be considered and as will demonstrated ability of the development team to deliver a quality project.
- Phase Two:** Interview of most qualified applicants.
- Phase Three:** Evaluation team will check references given and may visit sites developed.
- Phase Four:** At this phase, the City may request additional information from the most qualified developers. The review team will then make a selection recommendation to the full City Council.
- Phase Five:** Upon selection of a developer, agreed-upon funds from the City will be reserved for this project for a specific amount of time. The City will enter into exclusive negotiations leading to various agreements. When the developer meets all conditions of the agreement, City's financial documents will be executed.

Phase Six: Upon selection of a developer, agreed-upon loan funds from the City will be reserved for this project for a specific amount of time. The City will enter into exclusive negotiations leading to various agreements. When the developer meets all conditions of the agreements, City's financial documents will be executed.

### **EVALUATION CRITERIA FOR QUALIFICATIONS**

Submittals will be evaluated based upon the following criteria:

- Completeness of the proposal relative to RFP requirements.
- Responsiveness to the City's development program.
- Demonstrated experience of the developer in the successful development, operation and economic performance of urban infill, affordable housing projects of comparable size, scale and complexity.
  - Ability of the developer to implement high quality affordable housing development projects on time and at budget.
  - Prior experience and success in marketing and programming for the use proposed by the City.
- The developer's proven ability to access funding resources to develop and complete projects of comparable or larger size.
- The quality of the architectural aspects of the developer's previous projects.
- The responsiveness of the conceptual design to neighborhood compatibility issues, access/circulation, integration of sustainable materials and approaches, and aesthetics.
- Experience in working with the public sector in public/private real estate development projects, willingness to engage in public outreach efforts to affected residents, property owners and to the local business community, pro-active plan to engage with local community in the development review process.
- Establishment of clear lines of responsibility within the developer team on which the City can rely during negotiations and implementation of the project.
- Other factors as appropriate.

### **NOTICE OF DEVELOPERS**

This Request for Proposals represents the initial step in soliciting proposals for qualified developers. Responses to the RFP should demonstrate the developer's specific expertise in developing a quality-housing product. Developers should assume that the City will deliver the site for sale or long-term lease.

The selected developer will be responsible for obtaining all required approvals for the project. However, the City will designate a project manager to work closely with the developer during the development process, including permitting and public review. The project manager will help to coordinate with all City departments and applicable City commissions.

This RFP and selection process shall in no way be deemed to create a binding contract or agreement of any kind between the City and any candidate. If the City selects a developer, it is expected that a Disposition and Development

Agreement (DDA) or ground lease with an Owner Participation Agreement (OPA) will form the basis of the contract between the parties.

All legal rights and obligations between the successful candidate, if any, and the City will come into existence only when an Agreement is fully executed by the parties, and the legal rights and obligations of each party shall at that time be only those rights and obligations which are set forth in the agreement and any other documents specifically referred to in that agreement and executed by the parties.

Each candidate submitting a proposal in response to this RFP agrees that the preparation of all materials for submittal to the City and all presentations are at the candidate's sole cost and expense, and the City shall not, under any circumstances, be responsible for any costs or expenses incurred by the candidate. In addition, each candidate agrees that all documentation and materials submitted with a proposal shall remain the property of the City.

Submittals are public records subject to disclosure under the Public Records Act. Required financial data should be submitted in a separate transmittal. The City will attempt to protect such financial data from disclosure.

The City reserves the right to accept or reject any or all proposals and to issue a new RFP at any time.

### **HOLD HARMLESS**

At and from the date hereof, the Applicant agrees to defend, indemnify, and hold the Community Development Department, and the City of Lodi, harmless from any and all claims or lawsuits that may raise from the Applicant's activities under the provision of this Agreement, that are attributable to the negligent or otherwise wrongful acts or omissions, including breach of specific contractual duties of the Applicant or of the Applicant's independent contractors, agencies, employees or delegates.

### **MATERIAL REQUESTED**

Interested developers must submit nine (9) copies of their proposal with all required information. The proposal must be submitted in a sealed envelope by **4:00 p.m., on December 18, 2006.** Please submit to:

**Joseph Wood  
Community Improvement Manager  
City of Lodi Community Development Department  
221 W. Pine Street  
Lodi, CA 95240**

Any questions should be directed to **Community Improvement Manager Joseph Wood at (209) 333-6823 or Community Development Director Randy Hatch at (209) 333-6714.**

***THERE WILL BE A PRE-PROPOSAL MEETING AT THE SITE ON THURSDAY, NOVEMBER 30, 2006 AT 10:00 am. THIS IS SUGGESTED FOR ALL DEVELOPERS PLANNING TO SUBMIT A PROPOSAL.***

Late response will not be accepted unless waived or modified by the City, at its sole discretion. Facsimile or electronic transmissions of proposals will not be accepted. The City, following review of the initial submission, may request additional information.

### **Attachments**

Street map excerpt  
Air photo excerpt  
Assessor's map

## REVIEW OF AFFORDABLE HOUSING PROPOSAL RE-SUBMITTALS

### Eden Housing

#### Project Description

- 89 Units
  - 600 sq. ft.
  - 1 bdrm units
  - Exception: Two 2-Bdrm units for on-site management staff.
    - 1 in west section, 1 in east section
- Fencing and landscaping to provide security.
  - May also consider security cameras.

#### Experience In Developing in Transitional Neighborhoods

- North Richmond
  - Community Heritage Housing
    - 52 unit Senior Housing
    - Part of a larger public-private partnership
      - Includes a commercial center.
    - High drug/crime area
      - Benches intended for Seniors were used by outsiders.
        - Eventually removed to eliminate problems.
    - Multi-purpose Community Room
      - Integrated Senior facility with community.
  - Chesley Mutual Housing Association
    - Rental Housing units on 1.5 acre site.
    - Gated property with 10 residential buildings and 1 Community Room.
    - 2, 3, & 4 bedroom units with private entrances.
    - Residents take key role in management and maintenance of property.
      - Resident Councils
- East Palo Alto
  - Nugent Square
    - 32 affordable rental housing units
    - High crime, very low income neighborhood.
- Antioch
  - West Rivertown Apartments
    - 57-unit scattered-site rental housing development.
    - 2400 square foot on-site day-care facility.
    - 1600 square foot Community Room.
    - Has led to improvement of conditions at adjacent properties throughout the neighborhood.
    - Continuing with another 40-unit development three blocks away.

## REVIEW OF AFFORDABLE HOUSING PROPOSAL RE-SUBMITTALS

### Eden Housing (cont.)

#### Financing

- Project Costs \$21,040,239
- Sources
  - City of Lodi \$1.2 million
  - AHP \$504,000
  - HUD Capital Advance \$11,003,580
  - Eden Housing Investment \$10,000
  - General/Limited Partners \$7,942,171
  - TOTAL \$20,659,751
- Funding Gap
  - \$380,488
  - Provides sources to defray the gap.
    - Prop 1C *Regional Planning, Housing, and Infill Incentives*
      - \$850 Million NOFA
      - Late-2007
    - Center for Creative Land Recycling *Forgivable Loan Program*
    - Bridge financing through CalHFA's HELP Program
      - 10-year, 3.5% rate loan of up to \$1.5 million
      - Part of existing proforma.
    - HUD Section 108 Loan
      - Borrowing against future CDBG allocations

#### Proforma Analysis:

- Cost per unit **\$250,479**
- GP/Limited Partner funds- will the project score sufficient points for the highly competitive 9% Low Income Housing Tax Credits (LIHTC)? Question for developer. Timing of Tax credit application.
- Funding Gap:
  - Prop 1C – prospects?
  - Recycling Loan Program – details? Chances? Who prepares?
  - Cal HFA loan - details? Amount? Timing? Schedule? Chances? Who prepares?
  - HUD 108 Loan? Process? Timing? Who prepares?

#### Site Evaluation

- Provides driveway easement off of Washington Street to serve existing housing on adjacent properties.
- Isolates 9-units in two buildings between Washington and Rush Streets.
  - Large gap between those units and remainder of the complex east of Central Ave.

## **REVIEW OF AFFORDABLE HOUSING PROPOSAL RE-SUBMITTALS**

### **PAM Companies**

#### **Project Description**

- 71 Units
  - 56 one-bedroom units
  - 15 two-bedroom units
- Gated property.
- 24-hour on-site management.
- Motion detector lighting.
- Security cameras.
- Collaborative effort:
  - F&M Bank,
  - LOEL Senior Center,
  - Housing Authority
  - ByDesign Solutions

#### **Experience In Developing in Transitional Neighborhoods**

- Ridgecrest – Kern County
  - 80-unit apartment complex.
  - Rehab of former military housing.
  - Rampant gang and criminal activities.
    - Project included a Police Sub-station
  - Developed relationships with social service agencies to use Community Room.
- Sacramento
  - Olive Wood Apartments
    - Rehab of 68-unit complex.
    - Area of high gang and criminal activities.
- Stockton
  - Charleston Place Apartments
  - 82-unit apartment complex at Bianchi and West Lanes.
  - Previously weed-infested, garbage-strewn lots.
    - Spurred further development in area.
      - High-market rate apartments
      - Elementary school
      - Office buildings

## REVIEW OF AFFORDABLE HOUSING PROPOSAL RE-SUBMITTALS

### PAM Companies (cont.)

#### Financing

- Project Cost \$11,535,422
- Sources
  - Lender \$1,386,089
  - City of Lodi \$1.2 million
  - AHP \$500,000
  - CHDO \$250,000
  - Deferred Developer Fee \$90,209
  - General/Limited Partners \$8,109,124
  - TOTAL \$11,535,422
- Funding Gap
  - None.

#### Proforma Analysis:

- Cost per unit **\$162,471** – Why so much lower than the other two proposals, or why are the other two so high?
- Lender – who is the lender? Is there a letter of commitment? Terms?
- AHP loan – Chances of getting funded?
- Deferred Developer fee – ok – typical in such deals
- CHDO – thru Housing Authority? Process/timing for securing these funds? Funds committed to this project? Letter of commitment?

#### Site Evaluation

- Does not provide for easement access to existing residential properties between Washington and Rush Streets.
- Does incorporate an additional vacant, dilapidated property located on Rush Street.

## **REVIEW OF AFFORDABLE HOUSING PROPOSAL RE-SUBMITTALS**

### **Visionary Home Builders**

#### **Project Description**

- 63 Units
  - 587 square-foot one-bedroom units
  - 798 square-foot two-bedroom units
- 2500 square foot Community Room
- Fenced and gated property.
- 24-hour on-site management.
- Security cameras.

#### **Experience In Developing in Transitional Neighborhoods**

- Downtown Stockton
  - Delta Plaza Senior Apts.
  - Rehab of former apartment building..
  - Rampant gang and criminal activities.
    - Project included a Police Sub-station
  - Developed relationships with social service agencies to use Community Room.
- Stockton
  - Carrington Circle
    - Rehab of duplexes and apartment buildings.
    - Area identified in 1997 as one of 15 most troubled areas.
      - High gang and criminal activities.
  - Pixie Woods
    - Villa Montecito
    - 70-unit apartment community.
    - Area also identified in 1997 as one of 15 most troubled areas.
      - High gang and criminal activities.
      - Heavily blighted areas.
  - Kelley Drive
    - Emerald Pointe
    - Rehab of existing duplex/triplex properties.
    - High gang and criminal activities.
    - Heavily blighted areas.
    - Added a Community Center
      - Head Start



## REVIEW OF AFFORDABLE HOUSING PROPOSAL RE-SUBMITTALS

### Visionary Home Builders (cont.)

#### Financing

- Project Costs \$14,426,421
- Sources
  - Lender \$709,240
  - City of Lodi \$1.2 million
  - AHP \$315,000
  - CHDO \$501,728
  - HUD 108 Loan \$2,172,441
  - Deferred Developer Fee \$87,310
  - General/Limited Partners \$9,440,701
  - TOTAL \$14,426,421
- Funding Gap
  - HUD 108 Loan should be considered additional City contribution that is not currently committed to the project.
    - City would have to apply for Section 108 Loan from HUD.
      - Borrows against future CDBG allocations.

#### Proforma Analysis:

- Cost per unit **\$228,991**
- Lender – who is the lender? Is there a letter of commitment? Terms?
- AHP loan – Chances of getting funded?
- CHDO – Process/timing for securing these funds? Funds committed to this project? Letter of commitment?
- HUD 108 loan?
  - If the City can apply to HUD, our calculations estimate that we could expect \$700,000 - \$1,000,000.
  - Most important – does the city want to put all of its CDBG funds for the next ten or more years (term?)
- GP/Limited Partner funds- will the project score sufficient points for the highly competitive 9% Low Income Housing Tax Credits (LIHTC)? Question for developer. Timing of Tax credit application.

#### Site Evaluation

- Does not provide for easement access to existing residential properties between Washington and Rush Streets.
- Does not appear to provide for pedestrian access between Lockeford St. and Central Ave.



## **AFFORDABLE HOUSING PROPOSAL REVIEW COMMITTEE**

### **REVIEW OF COMMITTEE PURPOSE AND TENTATIVE MEETING SCHEDULE**

- Review proposals from 3 affordable housing developers
  - Visionary Housing (*formerly ACLC*)- 2 Scenarios
  - Eden Housing – 2 Scenarios
  - PAM Companies – 1 Scenario
- Determine conformance to submission requirements and whether proposals meet minimum criteria established in the Request for Proposals.
  - Copy of Request for Proposals provided.
- Individual meetings scheduled to review each proposal and interview the developers.
  - Each proposal review meeting is expected to take 60 - 90 minutes.
- Site visit to the developers other housing projects.
  - Site visits are expected to take several hours.
  - Due to the time involved, may require two separate excursions.
- Conclude with summary discussions with all developers.
  - Make recommendations back to the City Council.



## **AFFORDABLE HOUSING PROPOSAL REVIEW COMMITTEE**

### **REVIEW OF PROJECT SITE**

- 3 parcels – Total 4.857 acres
- Parcel 1
  - Easternmost parcel
  - Frontage along Lockeford Street, Railroad Avenue, and Cherokee Lane.
  - Industrial buildings front onto Lockeford Street.
    - Month-to-month lease
    - Seasonal basis
- Parcel 2
  - Middle parcel
  - Between Central Ave and Rush Street
  - Runs behind existing industrial buildings to the north and an abandoned multi-family dwelling to the south.
- Parcel 3
  - Westernmost parcel
  - Frontage along Rush Street, Washington Street and Lockeford Street
    - Also borders industrial property to the north and residential properties to the south.



## **AFFORDABLE HOUSING PROPOSAL REVIEW COMMITTEE**

### **GENERAL REVIEW OF PROPOSALS**

#### **Visionary – Scenario 1**

- 48 apartments – 2 story units
- 12 duplex – 2 story units
- Community Room
- Play area – Basketball Court
- Total project cost: \$17,080,301

#### **Visionary – Scenario 2**

- 41 SFR – 2 story units
- 1.15 acre park space
- Total project cost: \$11,596,116

#### **Eden Housing – Scenario 1**

- 45 SFR
  - 40 3BR
  - 5 2BR
- Total project cost: \$15,515,710

#### **Eden Housing – Scenario 2**

- 33 SFR – 2 story units
- 40 Senior Apts. – 3 story buildings
- Total project cost: \$21,051,314

#### **PAM Companies**

- 45 Senior Residential Units
  - 11 2BR
  - 34 1BR
- 16 SFR
  - 4 BR units
- Community Room
- Total project costs: \$9,391,260



## AFFORDABLE HOUSING PROPOSAL REVIEW COMMITTEE

### REVIEW OF PROJECT AREA DATA

- U.S. CENSUS BUREAU 2000
  - Census Tract 45 – Block Groups 3 & 4 (see map)
  - Total Population
    - 4328
      - Male 2347 (55%)
      - Female 1981 (45%)
  - Age of Population
    - Infant to 10 years - 969
      - Male 520
      - Female 449
    - 11 – 20 years old - 850
      - Male 426
      - Female 424
    - 21 – 39 years old - 1489
      - Male 869
      - Female 620
    - 40 – 59 years old - 704
      - Male 373
      - Female 331
    - 60+ years old - 316
      - Male 159
      - Female 157
  - Number of Housing Units
    - Total 1320
    - Total Occupied 1267
      - Owner-Occ 247 (19%)
      - Tenant-Occ 1020 (81%)
  - Household Size
    - 1-person 274
    - 2-person 230
    - 3-person 218
    - 4-person 198
    - 5-person 138
    - 6-person 68
    - 7 or more-person 141

**316 Residents 60+ years old  
3.5% of total senior population in Lodi**



## **AFFORDABLE HOUSING PROPOSAL REVIEW COMMITTEE**

### **REVIEW OF PROJECT AREA DATA**

- Median Household Income \$20,268

#### **Low-Income Guidelines**

<b>Family Size</b>	<b>Maximum Income</b>
1	\$ 33,800
2	38,600
3	43,450
4	48,250
5	52,100
6	55,950

- Income in 1999 Below Poverty Level
  - Total 447 (36%)
    - Family households 302
    - Non-Family households 145
- Income in 1999 Above Poverty Level
  - Total 780 (64%)
    - Family households 558
    - Non-Family households 222



## **AFFORDABLE HOUSING PROPOSAL REVIEW COMMITTEE**

### **PRELIMINARY FINANCIAL REVIEW**

#### **Visionary Housing Proposals**

##### **Scenario 1**

- 48 apartments – 2 story units
- 12 duplex – 2 story units
- Community Room
- Play area – Basketball Court
- Total project cost: \$17,080,301
  - Apt. Costs \$13,046,824
  - Duplex Costs \$ 4,033,477
- City Funding Required
  - Permanent: \$1,740,305 / \$1,101,658 (55 yr term – 3%)
  - Construction: \$1,129,622 / \$1,564,511 (16-18 mo. term)

##### **Scenario 2**

- 41 SFR – 2 story units
- 1.15 acre park space
- Total project cost: \$11,596,116
- City Funding Required
  - Permanent: \$3,754,933
  - Construction: \$3,235,276 (18 mo. term – 3%)

##### **Comments**

- Neither proposal references CHDO Funds that they are eligible for.
  - 2007-08 CHDO set-aside: \$251,728
- All ownership units are targeted to 80% AMI